

EXHIBIT C
AGO QUESTIONS FOR WRITTEN TESTIMONY

Lowell General Hospital

1. Please explain and submit a summary table showing your annual operating margins (profit or loss) from 2005 to 2010 broken down by your commercial, government, and all other business (and please identify the carriers or programs included in each of these three aggregate margins). Please explain and submit supporting documents to show whether and how your revenue and margins are different for commercial carriers for your business operated through HMO, PPO, POS agreements, including any agreements subject to a global per member per month budget.

Answer: LGH has provided all information requested except for information that LGH has concluded is highly confidential and is proprietary information—the release of this information would cause significant competitive harm to LGH. Due to the confidential and proprietary nature of that information LGH regrettably cannot provide it in this submission. LGH would propose, however, to discuss with DHCFP a process to provide the requested information in order to facilitate DHCFP’s policy analysis, but also to maintain the confidential nature of the information pursuant to section (g) of the Public Records Law. See G.L. c. 4, § 7(26)(g).

2. Please explain and submit a summary table showing your commercial operating income trend from 2005 to 2010, and how that trend results from: (1) changes in the unit price of health care services or procedures, (2) changes in utilization, and (3) changes in other factors, such as changes in mix of services, mix of location of services, member demographics, and plan design. **The data is not available to conduct such an analysis.**
3. Please explain and submit a summary table showing your gross operating expense trend for medical services (excluding research and other non-medical cost centers) from 2005 to 2010, and how that trend results from: (1) facility costs including rental, maintenance, construction, and depreciation, (2) equipment costs including rental, maintenance, purchase or depreciation, (3) non-physician labor costs, (4) physician labor costs, and (5) other factors.

Lowell General Hospital						
Operating Expense Trend 2005 to 2010	2005	2006	2007	2008	2009	2010
Salaries and Wages	7%	15%	12%	13%	10%	1%
Benefits	16%	8%	-2%	11%	20%	11%
Physician Fees	-1%	5%	10%	-47%	8%	44%
Medical Supplies	19%	11%	20%	14%	21%	7%
Drugs	8%	10%	19%	-5%	10%	5%
Rental, Maintenance, and Construction	12%	17%	19%	3%	21%	17%
Depreciation	6%	8%	20%	23%	3%	-3%
Interest Expense	-2%	-3%	-9%	23%	-6%	-22%
Bad Debts	24%	-4%	-3%	1%	0%	23%
Total Expenses	10%	12%	13%	8%	13%	7%